

12/22/94
Ark.

ACT 312 STATUTORY ARBITRATION TRIBUNAL

In the matter of arbitration between:

COUNTY OF OSCEOLA

-and-

POLICE OFFICERS ASSOCIATION OF MICHIGAN
MERC Case No. 693-F-1002

HEARING DATE: August 31, 1994

ARBITRATION PANEL: Richard Potter, Chairperson
John McGlinchey, Employer Designee
Patrick Spidell, Union Designee

APPEARANCES:

For the Union:

William F. Birdseye
Marvin Dudzinski
Patrick Spidell

For the County:

John McGlinchey
Thomas Detloff
Amy Thelen

Osceola County

INTRODUCTION:

This arbitration involves unresolved issues pertaining to a collective bargaining agreement between the County of Osceola and the Police Officers Association of Michigan, representing the Patrol Officers Unit of the Osceola County Sheriff's Department.

The original petition for arbitration requested arbitration for the entire bargaining unit.

The employer subsequently objected to the corrections officers being included in the arbitration.

The panel chairperson determined that the hearing would not include the corrections officers and

should MERC subsequently determine they were covered by Act 312, the record would be opened and testimony taken regarding that portion of the unit.

At the pre-hearing conference on 4/26/94, it was agreed that the duration of the contract would be three years, commencing on 1/1/93 and ending on 12/31/95. The new contract will consist of the issues decided herein, all agreements previously reached by the parties and, in all other respects, the provisions of the 1990-1992 Agreement. Further, it was determined that the following issues were in dispute and before the panel.

<u>ISSUE:</u>	<u>ECONOMIC/NON-ECONOMIC</u>	<u>BROUGHT BY</u>
1. Number of Holidays	Economic	Union
2. Shift Premium	Economic	Union
3. Vacation Allotment	Economic	Union
4. Vacation Accumulation	Economic	Union
5. Payment in Lieu of Health Insurance	Economic	Union
6. Schedule Change Notice	Non-economic	Union
7. Past Practice	Non-economic	County
8. Vacation Schedule	Non-economic	County
9. Health Insurance	Economic	County
10. Wages	Economic	County

Subsequent to the pre-hearing conference, issues 2, 3, 4 and 8, above, were withdrawn.

Number of Holidays:

Little testimony was provided by either party with regard to the number of holidays. The following information was provided with regard to comparable communities.

<u>Comparable Jurisdiction</u>	<u>No. of Holidays</u>
Osceola County	11
Clare County	12
Lake County	10.5
Mecosta County	12
Missaukee County	13.5
Wexford County	12

The union proposes that the allotment be increased to 12 holidays per year by increasing the allotment for Christmas Eve and New Year's Eve from four to eight hours. The practical

effect is not to give officers more time off, but to increase the amount of compensation paid since those working would receive straight time pay for the holiday and time and one half for time worked on the holiday. In comparing the jurisdictions, Wexford and Missaukee are paid only straight time plus holiday pay, so the value received is less than Osceola County officers. As a result, Osceola County compares favorably with all but Clare County whose officers receive the equivalent of 20 more hours of pay per year.

Award:

No change: Holidays remain at 11 per year. (Patrick Spidell, Union Designee, Dissenting.)

Payment in Lieu of Health Insurance:

Although the current contract does not address this issue, the uncontroverted testimony of the county was that members of this unit, like members of other units in the county, receive a flat payment of \$450 per year if they are covered by a spouse's policy and elect not to take the county supplied health insurance. The county's Last Best Offer (LBO) is to incorporate this practice into the contract. The union's LBO is:

Employees who elect to be excluded from the employer's health care plan shall receive \$150 per month. Employees who elect this option must be covered through another plan. This election shall be made on an annual basis and shall be effective for that full year.

The comparable jurisdictions provide the following payments in lieu of insurance:

<u>County</u>	<u>Amount</u>
Clare	\$400 for single and 2 person coverage
	\$750 for three person or more coverage
	\$0 for those hired after 1/1/86
Lake	\$360 for single coverage paid into deferred compensation
	\$900 for family coverage paid into deferred compensation

Mecosta	Full premium paid into deferred compensation plan
Missaukee	\$0
Wexford	\$0
Osceola LBO	\$450 (\$530, if dental included)
Union LBO	\$1,800

The provision in the union's LBO that an employee could not get back into the plan means that if a spouse were laid off, the family may be without coverage. It seems restrictive also in that it might become a major factor in determining if and when a spouse would quit or retire. Finally, the county LBO seems to be more comparable to the other jurisdictions, except for Mecosta County.

Award:

The county's last best offer:

"Full time employees who elect not to enroll in the group medical insurance plan because they are eligible for coverage under another health insurance plan available to their spouse or dependents will be eligible to receive \$480 per year (BC/BS) and \$50/year (Dental)." (Patrick Spidell, Union Designee, Dissenting.)

Schedule Change Notice:

At present, there is no provision in the contract regarding notice of a schedule change.

The county's LBO is to continue with the current contract.

The union presented an initial proposal for a 72 hour notice of a change of individual's work schedule. The proposal contained penalty that the county would have to pay for failure to give notice by paying time and one half for all hours outside the regularly scheduled hours. The union's LBO modified the notice to 24 hours and eliminated the penalty, with the following language:

Notice of Schedule Change. When the Employer has advance notice of the necessity of a posted schedule change affecting shifts or starting and quitting times, the Employer will give the employee as much advance notice of such change as possible. Notification shall not be less than twenty-four (24) hours. The assignment of overtime shall be an exception to this clause.

At the post-hearing meeting of the panel, the employer designee acknowledged the responsibility of the employer to give as much notice as possible.

Award:

Since this is a non-economic issue, the arbitrator is not obligated to accept either last best offer. Therefore, the award is a modification of the union's proposal.

"The employer shall notify an individual of changes in his/her schedule as soon as possible after the necessity for such changes becomes known. The employer will endeavor to insure that a minimum twenty-four hours' notice is given."

Past Practice:

The current contract has no past practice clause. The employer's LBO was to include the following clause:

This agreement embodies all the obligations between the parties evolving from the collective bargaining process and supersedes all prior relationships and/or past practices.

The union's last best offer is to remain with the current contract.

At the hearing, there was discussion as to whether the clause was proactive in that it prevented past practices evolving in the future; whether it eliminated past practices that continued to be observed under the new contract; and what past practices were currently in place. The county was equivocal about the interpretation of the clause and neither party was able to name any existing practices.

Without a clear understanding of what the initiating party intends to be the interpretation of the clause, the panel chair is reluctant to include such a clause.

Award:

The union's last best offer--there will be no past practice clause. (John McGlinchey, Employer Designee, Dissenting.)

Health Insurance:

The current healthcare plan for this unit features a \$50/\$100 deductible and no co-pay provision. The county's last best offer is to substitute the current policy with one similar to that offered to all other employee groups with the exception of this unit and the command unit of the sheriff's department. The primary differences between the existing policy and the proposed policy is the proposed policy carries a deductible of \$500/\$1,000 and requires a 20% co-pay on service and a \$5 co-pay on prescriptions up to a maximum cost per year of \$1,000 per family. Although the employer's last best offer does not so state, county Exhibit 2 states that the county will reimburse the employee for \$400 or \$800 of the deductible, respectively. Mr. McGlinchey, council for the county, also stated this was the case at the hearing and restated it at the panel's post-hearing meeting. Furthermore, Mr. McGlinchey stated the county reimbursed the first \$400 and \$800 of the deductible, respectively.

The comparable jurisdictions all have deductibles of at least \$100/\$200 and all have drug co-pays. Osceola County's current plan presently costs \$4,915 per person. Lake County reported a premium of approximately \$200 more, but the next closest was Wexford County with premiums of approximately \$1,000 less per employee. The plan proposed by the county will save approximately \$1,700 per year per employee, which will be partially offset by the reimbursed deductible of up to \$400 per individual, or \$800 per family. The savings are obtained by increasing the deductible and by the addition of the 20% co-pay on service and \$5 on prescriptions, up to a total of \$1,000 per family. For an employee to pay the \$1,000, a family would have to experience over \$5,000 of medical charges in a year.

In summary, there will be great savings for the county, the combined cost for the unit and the county will be substantially lower, the county proposal will bring the unit in line with those of most jurisdictions and the benefits provided are virtually identical to the current policy.

Award:

The county proposal:

Employees in the bargaining unit shall receive the same medical insurance coverage as provided to bargaining unit employees by the county that includes a \$5 drug rider, \$500 single deductible, \$1,000 family deductible, 80/20. After deductible, employee pays 20% up to a maximum of \$1,000. (Patrick Spidell, Union Designee, Dissenting.)

It should be noted that this award is based upon the unequivocal statements of the county that "same medical coverage" includes employer reimbursement of the first \$400 and \$800 of single and family deductible, even though it isn't stated in the employer's language.

Wages:

The last best offers of the parties with regard to wages are as follows:

<u>Date</u>	<u>Union LBO</u>	<u>County LBO</u>
1/1/1993	0%	2%
1/1/94	2%	2%
4/1/94	2%	0%
7/1/94	2%	0%

Ironically, the employer's offer results in more money during the life of the contract because it is front end loaded. The union's offer results in a higher base wage, however, and will mean more to the employees over their working life and in retirement. At the hearing, the county was anxious to have a "zero" year because other units had done so previously. The union

responded to that concern, but the county became less interested in that point as evidenced by their last best offer.

The union proposal, which amounts to a six percent cumulative increase in base wages over a two-year period is more reflective of the cost of living than the 4% proposal of the county. Moreover, a major consideration is the total 312 Arbitration Award, which includes the employee sharing a greater cost of healthcare.

Award:

The union proposal:

Date Wage Increases

1/1/93 0%

1/1/94 2%

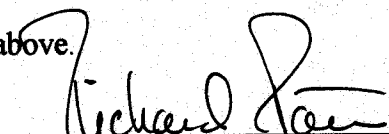
4/1/94 2%

7/1/94 2%

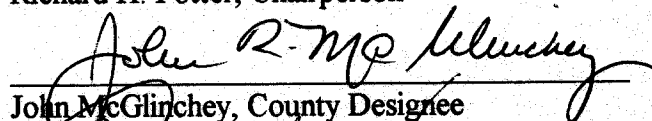
(John McGlinchey, County Designee, Dissenting.)

All other provisions of the agreement are as negotiated by the parties or remain the same as the 1990-1992 agreement.

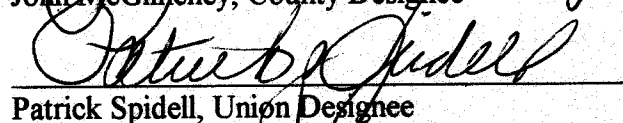
By their signatures, the panel members signify their agreement with this award, except as noted above.


Richard H. Potter, Chairperson

12.22.94
Date


John McGlinchey, County Designee

1-11-95
Date


Patrick Spidell, Union Designee

12-29-94
Date